


CARS

OPRA Road Show, Fall 2002


Presented by

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Overview for today


- Background
- Payments and prepayments
- Expenditure reports
- Reconciling
- CARS on the internet



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Background


- CARS stands for Community Aids Reporting System
- First developed in early 1980's for making payments to counties for community aids programs
- Expanded in 1989 to also make payments to providers
- Ran by DHFS, used by both DHFS and DWD



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Background, cont'd


- CARS is very BIG
 - 800 agencies
 - 500 profiles (contracts)
 - \$1.5 billion annually
- CARS is rigid for a reason
 - Need to stick to schedule to ensure payments get to all agencies on time
- CARS is cost effective
 - Cost to operate is about 6/100 of 1% of payments



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Payments through CARS


- Month 1 - Provider incurs costs
XYZ, Inc. incurs costs for January
- Month 2 - Provider reports costs
XYZ, Inc. reports the January costs in February
- Month 3 - Department calculates payment
DHFS processes the January costs in March
- 1st day of month 4 - Department makes payment
DHFS sends the check for January costs to XYZ, Inc. on April 1



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Prepayments

- Provide working capital for first three months of contract
- Each prepayment is for one month of expenses
- CARS reconciles and adjusts during last three months (takebacks)
- Prepayments count toward total contract payments: you must earn all payments under the contract in order to keep them



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Prepayments, cont'd

- Payment pattern without prepayments
CARS Handout, page 3. Agency has no payments in first three months, when it is incurring costs for contract. But it does have payments for three months after end of contract period.
- Payment pattern with prepayments
CARS Handout, page 4. Agency has prepayments for first three months. Takebacks reduce the three payments made after end of contract period.

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Your expenditure reports

- DMT 855 or DMT 862
- Fill out all required info
- Make sure the period for the expenses is within the contract period
- Don't combine costs for more than one month on a report
- Send your expenditure report to CARS on time
- Keep a copy for your records

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Reconciling - contract requirement

- Monthly is best, but at least quarterly, so you catch and fix any mistakes early
- Reconcile what you reported on DMT 855 or 862 to your records
 - Make sure you reported all reimbursable costs
 - Make sure you have documentation supporting these costs
- Determine whether all of the costs you reported show up correctly on the DMT 603

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Reconciling, cont'd

- Determine whether the check amount is right. If it is different from what you expected ...
 - Did you reach the contract maximum?
 - Did you owe the department money from a previous month?
 - Did the contract amount change?
 - Have takebacks of prepayments started?
- Your auditor will review your reconciliations as part of the annual audit

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DMT 620 Report is on the web

- Same info as DMT 603 - just different layout
- Available in Excel format
- Available the day after CARS processes, so you can see what your check amount will be several weeks before you get the check
- www.dhfs.state.wi.us/bfs/CARS/index.htm (see CARS handout, page 10 for directions)

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